

RETIREMENT PLANNING INFORMATION

- Your final paycheck from your employer must be prior to the effective date of your retirement. You may not receive the final paycheck from your employer and the SDRS retirement benefit in the same month.

Frequently Asked Questions

What does “reduced” mean?

“Reduced” means that the retirement benefit paid to you is less than the amount calculated under the benefit formula. The reduction is intended to share the cost of taking the retirement benefit earlier.

If you retire with a reduced benefit and later return to permanent full-time employment with a SDRS participating unit, your retirement benefit is suspended for the duration of the re-employment.

Can SDRS start my Social Security benefits?

No, you must contact the Social Security Administration in order to initiate your Social Security benefit payments.

If you are interested in the Level Income Payment Option, you must secure your estimated age 62 Social Security benefit and provide it to SDRS at least 30 days prior to your retirement. You may either:

- ♦ *Secure updated information from Social Security, which usually takes six to eight weeks, or*
- ♦ *Furnish SDRS with a copy of the last Social Security estimate provided to you approximately 60 days prior to your last birthday.*

SDRS

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Information You Should Know

Prior to your retirement, you must provide SDRS with a copy of the following:

- ◆ *Your birth certificate*
- ◆ *Your spouse's birth certificate, if applicable*
- ◆ *Your marriage certificate, if applicable*

The Estimate

Your retirement benefit estimate is based on your years of credited service and your compensation as reported to SDRS as of the date of the estimate. Until your employer reports your final compensation and contributions to SDRS, the exact amount of your retirement benefit is subject to adjustment.

The beginning date indicated on your estimate is the date your benefit will originate. Due to the timing of your application, the actual payment of this benefit may not occur on the same date. If you fail to make a timely application for your retirement benefits, you may be eligible to receive up to three months of retroactive benefits to be paid with your first benefit payment.

Terminology

Normal Retirement: The age at which you are entitled to retire with a full benefit, provided you have at least three years of contributory service. For Class A and Class B Judicial members, this is age 65. For Class B Public Safety members, this is age 55.

Special Early Retirement: A combination of age and years of credited service that permits Class A and Class B Judicial members to retire as early as age 55 (45 for Class B Public Safety members) without a reduced benefit. Special Early Retirement is governed by the Rule of 85 for Class A credited service, the Rule of 80 for Class B Judicial credited service, and the Rule of 75 for Class B Public Safety credited service.

Early Retirement: Retirement prior to Normal Retirement Age whereby the SDRS lifetime benefit is reduced by three percent for each year prior to Normal Retirement age. Class A and Class B Judicial members may choose Early Retirement as soon as age 55, provided three years of contributory service have been achieved. Class B Public Safety

members may choose Early Retirement as soon as age 45, provided three years of contributory service have been achieved.

Delayed Retirement: Working past your Normal Retirement age.

What You Must Know

- You should contact SDRS approximately six months prior to your intended retirement date.
- You must file an SDRS Form B-2, *Applying for SDRS Retirement Benefits* with SDRS at least two months prior to your retirement. (This form is only available from the SDRS office.)
- All retirement benefits are effective the first day of a month. While the law requires that you file the B-2 form with the SDRS office at least 30 days prior to your retirement effective date, the form should be in the SDRS office two months prior to your retirement to avoid having to re-schedule your retirement.